



STATE PERSONNEL DIVISION, DEPARTMENT OF ADMINISTRATION • ISSUE 16 • JANUARY 2005

## ***State and unions reach tentative agreement on \$36 million pay package***

The state and the three largest state employee unions reached a tentative agreement January 7 which, if ratified by unionized employees and approved by the legislature, will provide for a \$36 million general fund increase in pay and benefits to state employees over the 2006-07 biennium. The total cost of the pay package is about \$70 million. The tentative agreement will enable the state and participating unions (MPEA, MEA-MFT, and AFSCME) to jointly support an amendment to House Bill 13 that includes the negotiated agreement.

Here are the major components of that agreement:

### ***Pay raises***

Employees in the classified plan will receive the greater of 3.5 percent or \$1,005 annually in FY 2006 and 4.0 percent or \$1,188 annually in FY 2007. These raises will take effect in October for all employees hired by September 30, 2005. Employees hired after September 30, 2005, will receive their pay raises on their actual anniversary dates.

The \$1,005 and \$1,188 floors represent respective percentage increases (3.5 percent and 4 percent) at the grade 12 market rate. Employees paid below that rate (\$28,716 in FY 2005 and \$29,721 in FY 2006) will be guaranteed the

### **SPECIAL EDITION**

#### **Components of the tentative pay package agreement for FY 2006-07:**

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flat dollar raise. The flat dollar raise is based on 2,080 hours, and will be prorated for employees who work less than full time. The chart below shows the average pay raise state employees will receive by pay grade and band under this tentative agreement.

### ***Pay schedule changes***

If approved, the entry rate for each pay grade under the classified pay schedule will increase by 3.5 percent effective October 1, 2005, and 4 percent October 1, 2006. The maximum pay rates by grade will be increased by 3.5 percent and 4 percent respectively or by the minimum flat dollar amounts (\$1,005 and \$1,188), whichever is greater. This change will guarantee the full pay raise to employees currently paid at the maximum pay rate of their grade. Pay ranges for the broadband pay plan, which is not codified, will increase similarly.

### ***Health insurance***

The agreement includes an increase in the state's share of an employee's health insurance premium of \$46 per month beginning January 1, 2006, and \$51 per month beginning January 1, 2007. While the total cost of premiums for the next biennium are still unknown, the employee benefit plan is in a

stable financial position and the Employee Benefits Bureau is striving to maintain existing benefit levels without changing the co-payment or deductible levels. Connie Welsh, Chief of the Employee Benefits Bureau, anticipates maintaining benefit levels through 2006 with the potential for modest changes in 2007.

<b>Average Pay Raise by Pay Grade (Pay Plan 060) &amp; Pay Band (Pay Plan 020)</b>		
<b>Grade</b>	<b>Percent Increase in FY 2006</b>	<b>Percent Increase in FY 2007</b>
5	10.0%	10.8%
6	9.2%	10.0%
7	6.9%	7.6%
8	5.5%	6.2%
9	4.6%	5.2%
10	4.4%	5.0%
11	3.9%	4.5%
12	3.6%	4.1%
13	3.5%	4.0%
14	3.5%	4.0%
15	3.5%	4.0%
16	3.5%	4.0%
17	3.5%	4.0%
<b>Band</b>		
1	13.3%	13.9%
2	6.1%	6.8%
3	4.1%	4.6%
4	3.5%	4.0%
5	3.5%	4.0%
6	3.5%	4.0%
7	3.5%	4.0%
8	3.5%	4.0%

## ***Labor-management training initiative***

House Bill 13 will contain a \$75,000 appropriation for continuation of the Labor-Management Training Initiative established in FY 2002-03. The Labor-Management Training Initiative is a project between the State of Montana and participating unions to support effective labor relations through specialized training and skill development. The \$75,000 appropriation will allow the Labor Relations Bureau to continue to offer training to agency managers and employees in areas such as interest-based problem solving, effective labor-management committees, contract administration, and grievance handling.

For more information about the tentative agreement, contact anyone of the Labor Relations Bureau staff members listed below.

***Questions, comments or suggestions? Contact the Labor Relations Bureau or visit our website: [www.discoveringmontana.com/doa/spd/css](http://www.discoveringmontana.com/doa/spd/css)***

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